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AMENDMENTS TO LB 577

1 1. Strike original section 5 and insert the following
2 new section:

3 "Sec. 4. Section 79-1028, Revised Statutes Supplement,
4 2004, is amended to read:

5 79-1028. (1) A Class II, III, IV, V, or VI school
6 district may exceed the local system's applicable allowable growth
7 rate for (a) expenditures in support of a service which is the
8 subject of an agreement or a modification of an existing agreement
9 whether operated by one of the parties to the agreement or an
10 independent joint entity or joint public agency, (b) expenditures
11 to pay for repairs to infrastructure damaged by a natural disaster
12 which is declared a disaster emergency pursuant to the Emergency
13 Management Act, (c) expenditures to pay for judgments, except
14 judgments or orders from the Commission of Industrial Relations,
15 obtained against a school district which require or obligate a
16 school district to pay such judgment, to the extent such judgment
17 is not paid by liability insurance coverage of a school district,
18 (d) expenditures to pay for sums agreed to be paid by a school
19 district to certificated employees in exchange for a voluntary
20 termination of employment, or (e) expenditures to pay for
21 lease-purchase contracts approved on or after July 1, 1997, and
22 before July 1, 1998, to the extent the lease payments were not
23 budgeted expenditures for fiscal year 1997-98.

24 (2) A Class II, III, IV, V, or VI district may exceed its

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1 applicable allowable growth rate by a specific dollar amount if the
2 district projects an increase in formula students in the district
3 over the current school year greater than twenty-five students or
4 greater than those listed in the schedule provided in this
5 subsection, whichever is less. Districts shall project increases
6 in formula students on forms prescribed by the department. The
7 department shall approve, deny, or modify the projected increases.

8	Average daily	Projected increase
9	membership of	of formula students
10	district	by percentage
11	0 - 50	10
12	50.01 - 250	5
13	250.01 - 1,000	3
14	1,000.01 and over	1

15 The department shall compute the district's estimated
16 allowable budget per pupil using the budgeted general fund
17 expenditures found on the budget statement for the current school
18 year divided by the number of formula students in the current
19 school year and multiplied by the district's applicable allowable
20 growth rate. The resulting allowable budget per pupil shall be
21 multiplied by the projected formula students to arrive at the
22 estimated budget needs for the ensuing year. The department shall
23 allow the district to increase its general fund budget of
24 expenditures for the ensuing school year by the amount necessary to
25 fund the estimated budget needs of the district as computed
26 pursuant to this subsection. On or before July 1, the department
27 shall make available to districts which have been allowed

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1 additional growth pursuant to this subsection the necessary
2 document to recalculate the actual formula students of such
3 district. Such document shall be filed with the department under
4 subsection (1) of section 79-1024.

5 (3) A Class II, III, IV, V, or VI district may exceed its
6 applicable allowable growth rate by a specific dollar amount if
7 construction, expansion, or alteration of district buildings will
8 cause an increase in building operation and maintenance costs of at
9 least five percent. The department shall document the projected
10 increase in building operation and maintenance costs and may allow
11 a Class II, III, IV, V, or VI district to exceed the local system's
12 applicable allowable growth rate by the amount necessary to fund
13 such increased costs. The department shall compute the actual
14 increased costs for the school year and shall notify the district
15 on or before July 1 of the recovery of the additional growth
16 pursuant to this subsection.

17 (4) A Class II, III, IV, V, or VI district may exceed its
18 applicable allowable growth rate by a specific dollar amount if the
19 district demonstrates to the satisfaction of the department that it
20 will exceed its applicable allowable growth rate as a result of
21 costs pursuant to the Retirement Incentive Plan authorized in
22 section 79-855 or the Staff Development Assistance authorized in
23 section 79-856. The department shall compute the amount by which
24 the increased cost of such program or programs exceeds the
25 district's applicable allowable growth rate and shall allow the
26 district to increase its general fund expenditures by such amount
27 for that fiscal year.

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1 (5) A Class II, III, IV, or V district may exceed its
2 applicable allowable growth rate by the specific dollar amount of
3 incentive payments or base fiscal year incentive payments to be
4 received in such school fiscal year pursuant to section 79-1011.

5 (6) A Class II, III, IV, V, or VI district may exceed the
6 local system's applicable allowable growth rate by a specific
7 dollar amount in any year for which the state aid calculation
8 includes students in the qualified early childhood education fall
9 membership for a year in which an early childhood education program
10 of the district is receiving a grant for the third year or is
11 receiving an expansion grant. The department shall compute the
12 amount by which the district may exceed the local system's
13 applicable allowable growth rate by multiplying the cost grouping
14 cost per student for the local system's cost grouping by the local
15 system's adjusted formula students attributed to such early
16 childhood education program if the program is receiving a grant for
17 the third year in the school fiscal year for which the fall
18 membership is measured or by the local system's adjusted formula
19 students attributed to such early childhood education program minus
20 the local system's adjusted formula students attributed to such
21 early childhood education program for the prior school fiscal year
22 if the program is receiving an expansion grant in the school fiscal
23 year for which the fall membership is measured. The department
24 shall allow the district to increase its general fund expenditures
25 by such amount for such school fiscal year."

26 2. On page 7, line 12, after "membership" insert "for
27 school fiscal year 2005-06 and each school fiscal year thereafter";

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1 in line 19 after "years" insert ", including any such students in
2 portions of such program receiving an expansion grant," and strike
3 "planned" and insert "actual"; and in line 23 after "September"
4 insert "2005 and each year thereafter".

5 3. On page 8, line 2, after "years" insert ", including
6 any such students in portions of such program receiving an
7 expansion grant," and strike "planned" and insert "actual".

8 4. On page 15, line 19, strike "and" and insert "minus
9 (i)"; and in line 25 after "system" insert "and (ii) for the first
10 two school fiscal years immediately following the school fiscal
11 year in which a district in the local system received an expansion
12 grant pursuant to section 79-1103, the difference between the
13 adjusted formula students attributed to early childhood education
14 programs approved by the department pursuant to section 79-1103 for
15 the school fiscal year immediately following the school fiscal year
16 in which a district in the local system received an expansion grant
17 minus the adjusted formula students attributed to early childhood
18 education programs approved by the department pursuant to section
19 79-1103 for the school fiscal year in which a district in the local
20 system received an expansion grant".

21 5. On page 17, line 25, strike "local" and show as
22 stricken; in line 26 strike "cooperatives" through "and", show as
23 stricken, and insert "individually or in cooperation with other
24 school districts or" and after "units" insert an underscored comma;
25 and in line 28 strike "Each", show as stricken, and insert "The
26 first priority shall be for continuation grants for programs that
27 received grants in school fiscal year 2005-06 in an amount equal to

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1 the amount of the grant for school fiscal year 2005-06 minus the
2 calculated state aid amount. The calculated state aid amount shall
3 be calculated by multiplying the cost grouping cost per student for
4 the school district's cost grouping by the adjusted formula
5 students attributed to the early childhood education program
6 pursuant to the Tax Equity and Educational Opportunities Support
7 Act. The second priority shall be for new grants and expansion
8 grants for programs that will serve at-risk children who will be
9 eligible to attend kindergarten the following school year. New
10 grants may be given for up to three years in an amount up to
11 one-half of the total budget of the program per year. Expansion
12 grants may be given for one year in an amount up to one-half of the
13 budget for expanding the capacity of the program to serve
14 additional children. The third priority shall be for new grants,
15 expansion grants, and continuation grants for programs serving
16 children younger than those who will be eligible to attend
17 kindergarten the following school year. New grants may be given
18 for up to three years in an amount up to one-half the total budget
19 of the program per year. Expansion grants may be given for one
20 year in an amount up to one-half the budget for expanding the
21 capacity of the program to serve additional children. Continuation
22 grants under this priority may be given annually in an amount up to
23 one-half the total budget of the program per year minus any
24 continuation grants received under the first priority. Programs
25 serving children who will be eligible to attend kindergarten the
26 following school year shall be accounted for separately for grant
27 purposes from programs serving younger children, but the two types

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1 of programs may be combined within the same classroom to serve
2 multi-age children. Programs that receive grants for school year
3 2005-06 to serve both children who will be eligible to attend
4 kindergarten the following school year and younger children shall
5 account for the two types of programs separately for grant purposes
6 beginning with school year 2006-07 and shall be deemed to have
7 received grants prior to school year 2006-07 for each year that
8 grants were received for the types of programs representing the age
9 groups of the children served.".

10 6. On page 18, strike lines 1 through 11 and show the
11 old matter as stricken.

12 7. On page 19, line 22, after "(r)" insert "continuity
13 with the instructional hours in kindergarten, (s)"; in line 24
14 strike "(s)", show as stricken, and insert "(t)"; and in line 25
15 strike "(t)", show as stricken, and insert "(u)".

16 8. On page 20, lines 2 and 3, strike the new matter; and
17 in line 12 after "Act" insert ", expansion grants, and continuation
18 grants".